

Asia Pacific Telecom Co., Ltd.
2023 General Shareholders' Meeting

Meeting Handbook

Meeting Date: June 30, 2023 (Entity Meeting)

Venue: 2F., No. 12, Zhouzi St., Neihu Dist., Taipei City,
(Taipei Co-space International Meeting Room)

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Asia Pacific Telecom Co., Ltd.
Meeting Procedure for the 2023 General
Shareholders' Meeting

I. Calling the Meeting to Order

II. Chairman's Remarks

III. Reports

IV. Ratifications

V. Discussions

VI. Election Matters

VII. Other Matters

VIII. Extemporaneous Motions

IX. Adjournment

Asia Pacific Telecom Co., Ltd.
Agenda of 2023 General Shareholders' Meeting

Meeting Time: 9:00 a.m., Friday, June 30, 2023

Venue: 2F., No. 12, Zhouzi St., Neihu Dist., Taipei City
(Taipei Co-space International Meeting Room)

- I. Calling the Meeting to Order
- II. Chairman's RemarksReports
- III. Reports:
 - (I) 2022 Business Report.
 - (II) 2022 Audit Committee's Review Report.
 - (III) The Implementation of Strengthening Business Operation Plan on 2022.
- IV. Ratifications:
 - (I) The Company's 2022 Business Report and Financial Statements.
 - (II) The Company's 2022 Deficit Compensation Statement.
- V. Discussions:
 - (I) The proposal to amend the Company's "Articles of Association".
- VI. Election Matters:
 - By-election of directors.
- VII. Other Matters:
 - The proposal of release of the Board of Directors from the non-compete clause.
- VIII. Extemporary Motions
- IX. Adjournment

Report

I. 2022 Business Report

(Please refer to Pages 11~13 in this Handbook)

II. 2022 Audit Committee's Review Report

(Please refer to Page 14 in this Handbook)

III. The Implementation of Strengthening Business Operation Plan on 2022

Explanatory Notes:

(I).In accordance with the Financial Supervisory Commission Order No. Financial-Supervisory-Securities-Corporate-1080333597 issued on October 28, 2019, the strengthening business operation plan shall be reported to the Board of Directors for management and control on a quarterly basis and reported to the shareholders' meeting.

(II).The interim capital reduction plan to offset accumulated losses of the Company, of which the resolution has been adopted by the extraordinary shareholders meeting on October 2, 2019, has been approved by the Financial Supervisory Commission and become effective with the above-mentioned letter. The updated registration on the Department of Commerce, Ministry of Economic Affairs (MOEA) has been approved by the Letter No. Economic-Commerce-10801175410 issued on December 9, 2019. In addition, the new shares issued after the capital reduction were listed and traded on January 20, 2020.

(III).Please refer to Pages 40~42 in this Handbook for the implementation report on the 2022 of strengthening business operation plan.

(IV).Please review accordingly.

Ratifications

Proposal 1

Proposed by the Board of Directors

Proposal: Please ratify the Company's 2022 Business Report and Financial Statements.

Explanatory Notes:

I.The Company's 2022 Financial Statements (including Consolidated and Stand-alone Financial Statements), which had been audited by CPA Yu-Lung Wu and CPA Shih-Chun Huang of PricewaterhouseCoopers (PwC) Taiwan with an Audit Report of unqualified opinion, together with the Business Report, were reviewed and considered that was no discrepancy, and issued a written review report by the Audit Committee of the Company.

II.Please refer to Pages 11~13 and Pages 15~38 of this Handbook for the Business Report, CPA's Audit Reports and financial statements.

III.Please ratify.

Resolution:

Proposal 2

Proposed by the Board of Directors

Proposal: Please ratify the Company's 2022 Deficit Compensation Statement.

Explanatory Notes:

- I. In accordance with Article 26 of the company's articles of association.
- II. Please refer to page 39 of this handbook for the attached "2022 Deficit Compensation Statement" of the company.
- III. There is no dividend distribution due to no accumulated surplus in 2022.
- IV. Please ratify.

Resolution:

Discussions

Proposal 1

Proposed by the Board of Directors

Proposal: Resolution for the amendment to the Company's "Articles of Association"

Explanatory Notes:

- I. In order to cooperate with the provisions of Article 172-2 of the Company Act and practical operation needs, it is proposed to amend partial provisions of the "Articles of Association" of the Company.
- II. Please refer to Pages 43~44 in this Handbook for the comparison table before and after amendment to the "Articles of Association". For current provisions, please refer to Pages 48~54 in this Handbook.
- III. Please resolve.

Resolution:

Election Matters

Proposal

Proposed by the Board of Directors

Proposal: Please proceed with by-election directors.

Explanatory Notes:

- I. The company received the letter of resignation from the corporate director Far EasTone Telecom Co., Ltd. on April 18, 2022 and the corporate director Hua Eng Wire&Cable Co., Ltd. on May 20, 2022. There are two vacancies of the board of director.
- II. According to Article 15 of the "Articles of Association", the company has 11 directors. And cooperate with Corporate Governance 3.0-Sustainable Development Roadmap, in order to further strengthen the supervisory function of the board of directors, and promote the number of independent directors make up no less than 1/ 3 of the directors. " Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers " Article 4: Where the chairman of the board of directors and the president or person of an equivalent post of a TWSE listed company are the same person, not less than four independent directors shall be established before 31 December 2023. It is proposed to submit a proposal for by-election of one director and one independent director at the 2023 General Shareholder's Meeting.
- III. The directors of this by-election shall take office immediately after being elected by the General shareholders' meeting, and their term will start from June 30, 2023 to August 24, 2024, and they can be re-elected.
- IV. The Company adopts a candidate nomination system for the election of directors in accordance with Article 192-1 of the Company Act.
- V. Please refer to Pages 45 in this Handbook for the list of candidates for directors and independent directors, the number of shares held and academic experience.
- VI. Please refer to Page 61 to 62 in this Handbook for the "Procedures for Election of Directors".
- VII. Please proceed with the election.

Election Results:

Other Matters

Proposal

Proposed by the Board of Directors

Proposal: Proposal of release of the Board of Directors from the non-compete clause.

Explanatory Notes:

- I. In accordance with Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval".
- II. The company's independent director candidates and newly added positions of directors, it is proposed to remove the restriction of non-compete in accordance with the provisions of the preceding paragraph. Please refer to Page 46 in this Handbook for the essential contents of directors (independent directors) from non-compete clause.
- III. Please resolve.

Resolution:

Extemporany Motions

Adjournment

Attachments

- I. 2022 Business Report / 11-13
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Asia Pacific Telecom Co., Ltd.
2022 Business Report



Dear shareholders, ladies, and gentlemen,

Market Environment

To promote the development of the telecom industry, achieve sustainable development goals, and advance Taiwan's vision of becoming a "cyber island and smart nation," APT (Asia Pacific Telecom Co., Ltd.) announced the completion of a merger agreement with Far EasTone on February 25, 2022. The National Communications Commission (NCC) also approved the merger on January 18, 2023, with additional conditions attached. APT and Far EasTone will complete the merger in accordance with relevant laws and regulations and the established timeline.

After the merger between APT and Far EasTone, APT customers will have access to an 80MHz large bandwidth in the 3.5GHz frequency band. The Company will provide world-class 5G communication services and demonstrate more significant economic scale synergies. During the contract period, all rights and benefits will not be affected by the merger of the two companies. Customers can maintain their current rates and services while taking advantage of better telecom network services like intra-network discounts and enjoy higher-quality channel services; Meanwhile, the Company will continue to provide users with the opportunity to upgrade to 5G actively.

Future telecom market competition will be more intense, necessitating the use of additional resources; therefore, promoting industry integration will increase overall efficiency. Telecom operators, with stable profits, will be better able to grow and invest, develop diversified application services, offer consumers high-quality telecommunications services, and ultimately enhance the country's overall competitiveness.

Financial Performance

APT achieved a consolidated total revenue of NT\$ 12.93 billion in 2022, an EBITDA (earnings before interest, taxes, depreciation, and amortization) of NT\$ 950 million, a net profit of -NT\$ 5.36 billion, and an EPS of -NT\$ 1.26.

Business Development

To provide customers with a comprehensive service experience, APT continues strengthening its mobile communication business by offering a stable and smooth mobile broadband network and voice call quality. In addition, the Company is also promoting the

development of diversified applications, utilizing 5G and information and communication technology to provide innovative services and create a new look for "Smart Living."

APT is keeping up with the trend and leading the industry by taking the initiative to enter the Metaverse market and partnering with XRSPACE, a leading brand in the Metaverse industry. We have launched the first multi-functional Metaverse shared space in Taiwan, called "XLAND," which allows businesses and consumers to create their own Metaverse space with real-time interaction and cross-device multiplayer interaction. We are integrating technology platforms, applications, cross-terminal integration, and combining highlighted services such as avatars, ESG, 3D-themed immersive spaces, treasure-hunt quests, limited edition NFTs, and OMO(Online Merge Offline)to build a long-term 3D virtual world with the help of more than 20 ecosystem partners, including NFT issuance platforms and content providers.

Providing diverse consumption channels and quality shopping experiences through continuous cross-industry alliances is extremely important. Starting in 2019, APT digital stores have pioneered a 24-hour telecom service that allows customers to obtain a mobile number in just 10 minutes, leading the digital innovation revolution in the telecommunications industry. Customers can place orders online and complete the process of identity verification, purchase, and obtaining a SIM card through cross-industry collaborations with convenience stores such as FamilyMart and Hi-Life. To date, the service has accumulated hundreds of thousands of users. The one-stop convenience of obtaining a phone number through the 10-minute immediate access service has received high market satisfaction and recognition from users.

Despite intense competition in the telecommunications market, APT actively seeks to expand its customer base. Through continuous innovation in virtual channels, it breaks through service boundaries by integrating digital storefronts and telemarketing channels. By leveraging a unified platform to share data, consumer profiles, and marketing resources, it can identify potential customers and achieve precise service delivery, resulting in complementary efforts and increased efficiency.

Furthermore, by actively promoting OMO (Online Merge Offline) and leading the industry in innovation, APT has partnered with the e-commerce giant Shopee to become one of the collaborators in the "Shopee Store to Store" logistics ecosystem. This partnership has created the first telecom in Taiwan to offer store-to-store parcel delivery and collection services while promoting seamless cross-industry OMO integration to enhance the user's localized experience. With this initiative, APT is no longer limited to traditional telecommunication services but is expanding to create a more convenient and intelligent lifestyle ecosystem for its consumers.

Regarding enterprise customers, APT has a wealth of experience in information and communication technology integration. We have long been committed to developing the AIoT smart Internet of Things to assist enterprises and public institutions in transforming and upgrading. The Company collaborates with ecosystem partners to promote ICT solutions and Internet of Things (IoT) applications. Its environmental IoT services have consistently outperformed the industry and have supported up to 6 municipal governments in Taiwan in implementing air-quality IoT, using innovative technology to improve air pollution prevention and control. Additionally, to generate new economic momentum, APT is actively investing in various smart city businesses, such as smart aquaculture, smart transportation, smart ports, and other diverse smart applications.

APT is strongly pushing towards 5G private networks, collaborating with Ericsson and Qualcomm to combine the 2.6GHz mid-band and 28GHz millimeter-wave high-frequency bands successfully. Together, we have announced the completion of Taiwan's first 5G standalone (SA) mmWave New Radio Dual Connectivity (NR-DC) data call. Additionally, with guidance from the Industrial Development Bureau of the Ministry of Economic Affairs, we have assisted Advanced Semiconductor Engineering, Inc., the global leader in the SATS (Semiconductor Assembly and Testing Services) industry, to establish the world's first 5G mmWave NR-DC SA smart factory by deploying a next-generation standalone network architecture for 5G private networks.

ESG Sustainability Development

APT follows the international trend and echoes the UN Sustainable Development Goals (SDGs), focusing on operational growth while integrating its core 5G business and information and communication technologies to incorporate ESG sustainability into its long-term strategy. APT supports learning resources and cares for underprivileged communities in rural areas. In 2022, we sponsored 12 thousand 4G mobile numbers to ensure uninterrupted learning for economically disadvantaged students. In addition, we collaborated with Eden Social Welfare Foundation and launched the "ESG Hope Tree: You Water, We Donate" charity fundraising campaign in the XLAND Metaverse in April. For every "Hope Tree" watered, APT donated NT\$ 5 to support Eden's "Service for Underprivileged Children" project, helping rural students grow safely and transform their futures. In addition, APT has improved corporate governance and achieved a high level of transparency in information disclosure. For three consecutive years, we have won the Taiwan Corporate Sustainability Awards (TCSA) for the best Corporate Sustainability Report Award and the Happy Enterprise Gold Award. Domestic and international sustainability rating agencies have highly recognized our ESG performance.

We would like to thank all the shareholders for their trust and support, and we look forward to a bright future with you.

Chairman: 

Manager: 

Accounting Manager: 

**Asia Pacific Telecom Co., Ltd.
Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and Proposal of Deficit Compensation. The CPAs of PricewaterhouseCoopers, Mr. Wu, Yu-Lung and Mr. Huang, Shih-Chun, have audited the Financial Statements, including Consolidated and Stand-alone Financial Statements, and issued the auditors opinions. The above-mentioned Business Report, Financial Statements, and Proposal of Deficit Compensation have been reviewed and found no discrepancies by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this Report to the 2023 Annual General Meeting of the Company for ratifications.

Asia Pacific Telecom Co., Ltd.

Convener of the Audit Committee
Li-Chun, Chen

March 2, 2023

Attachment III

Independent Auditors' Report Translated from Chinese

PWCR22002302

To the Board of Directors and Shareholders of Asia Pacific Telecom Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Asia Pacific Telecom Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements of the year ended December 31, 2022 are stated as follows:

Key audit matter – Accuracy of revenue calculation on telecommunication service

Description

For accounting policies applied to revenue recognition, please refer to Note 4(28). For details of revenue, please refer to Note 6(20).

The Group's revenue is mainly generated from providing telecommunication services and selling mobile phones, etc. Telecommunication services revenue consist of voice/text and mobile data services. Revenue recognition on telecommunication service is calculated based on contractual rate and actual usage. Due to the high transaction volume and the diversification of the telecommunication contracts, the Group's revenue recognition highly relies on the system calculation. Thus, the accuracy of telecommunication service revenue calculation was identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding and tested the control activities which management has put in place in regard to the calculation accuracy of telecommunication services.
2. Obtained an understanding of the reasonableness of revenue calculation logic on telecommunication services and tested the key control activities relating to traffic volume and contractual rate.
3. Sampled system generated calculation reports of telecommunication services revenue and agreed to customers' bills.
4. Agreed system generated calculation reports of telecommunication services revenue to journal entry vouchers.
5. Agreed the information in customers' contracts to the information in the system.

Key audit matter – Impairment assessment of operating assets

Description

For accounting policies applied to property, plant and equipment, right-of-use assets and intangible assets, please refer to Notes 4(15), 4(16) and (17). For accounting policies applied to impairment assessment of non-financial assets, please refer to Note 4(18). For critical accounting estimates and key sources of assumption uncertainty applied to property, plant and equipment, right-of-use assets, intangible assets and other operating assets, please refer to Note 5(2). For details of account items, please refer to Notes 6(6), (7), (8) and (9).

The Group's operating assets represent a significant percentage of total assets, and the valuation of these assets is affected by the overall industry developments and the Group's operation. The Group used the value in use to estimate the recoverable amount which involves management's judgements, such as the estimation of future cash flows and the determination of discount rate, etc. Management's judgements mentioned above involve future years' forecast which are uncertain and have a material impact to the estimation of value in use. Therefore, the impairment assessment of operating assets was identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

We obtained and assessed the information provided by the Group and the valuation report prepared by external professional valuers engaged by the Group.

1. Compared the parameters used in predicting future cash flows with historical experience, economic and industrial forecasts.
2. Compared the parameters used in determining discount rate with the assumptions on capital cost of cash generating units, and with returns rate on market.
3. Verified the valuation model calculation.
4. Assessed the future cash flow sensitivity analysis based on the alternative hypothesis using different discount rates, and considered the possible impact on the estimation uncertainty of impairment assessment.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion on the parent company only financial statements of Asia Pacific Telecom Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China,

we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Wu, Yu-Lung

Huang, Shih-Chun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 2, 2023

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ASIA PACIFIC TELECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2022		December 31, 2021			
ASSETS			Notes	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$	208,909	1	\$	704,003	1
1140	Current contract assets	6(20)		253,861	1		288,588	1
1150	Notes receivable, net	6(3)		758	-		2,867	-
1170	Accounts receivable, net	6(3)		1,323,376	3		1,391,345	3
1180	Accounts receivable due from related parties, net	6(3) and 7(3)		8,259	-		18,347	-
1200	Other receivables			114,208	-		415,455	1
1220	Current tax assets	6(27)		1,303	-		4,015	-
130X	Inventories	6(4)		125,374	-		254,255	1
1410	Prepayments	7(3)		329,606	1		619,666	1
1470	Other current assets	6(5) and 8		85,268	-		36,733	-
11XX	Total current assets			2,450,922	6		3,735,274	8
Non-current assets		6(2)						
1560	Non-current contract assets	6(20)		189,881	-		185,236	-
1550	Investment accounted for using the equity method			142,074	-		149,720	-
1600	Property, plant and equipment	6(6) and 7(3)		8,647,499	22		9,777,910	22
1755	Right-of-use assets	6(7) and 7(3)		3,544,311	9		4,129,388	9
1780	Intangible assets	6(8) and 7(3)		7,984,320	20		9,472,741	21
1840	Deferred tax assets	6(27)		2,232,068	6		3,287,577	7
1900	Other non-current assets	6(9)(10)(15), 7(3) and 8		14,611,935	37		14,920,750	33
15XX	Total non-current assets			37,352,088	94		41,923,322	92
1XXX	Total Assets		\$	39,803,010	100	\$	45,658,596	100

(Continued)

ASIA PACIFIC TELECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2022		December 31, 2021	
LIABILITIES AND EQUITY		Notes	Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 3,010,000	8	\$ 3,635,000	8
2110	Short-term notes and bills payable		585,000	2	900,000	2
2130	Current contract liabilities	6(20) and 7(3)	477,239	1	523,916	1
2150	Notes payable		12,664	-	17,976	
2170	Accounts payable		811,599	2	851,400	2
2180	Accounts payable to related parties	7(3)	94,839	-	54,881	-
2200	Other payables	6(12) and 7(3)	2,730,783	7	3,237,600	7
2250	Current provisions	6(14)	22,479	-	-	-
2280	Current lease liabilities	7(3)	1,223,037	3	1,346,917	3
2320	Long-term liabilities, current portion	6(13)	851,417	2	46,667	-
2399	Other current liabilities		633	-	503	-
21XX	Total current liabilities		9,819,690	25	10,614,860	23
Non-current liabilities						
2540	Long-term borrowings	6(13)	4,062,173	10	2,615,393	6
2550	Non-current provisions	6(14)	459,026	1	430,648	1
2570	Deferred tax liabilities	6(27)	7,318	-	-	-
2580	Non-current lease liabilities	7(3)	1,844,796	4	2,321,313	5
2600	Other non-current liabilities	6(17)	258,002	1	293,267	1
25XX	Total non-current liabilities		6,631,315	16	5,660,621	13
2XXX	Total Liabilities		16,451,005	41	16,275,481	36
Equity attributable to owners of parent						
Share capital		6(18)				
3110	Common shares		43,171,964	109	43,171,964	94
Capital surplus						
3200	Capital surplus		-	-	286	-
Retained earnings		6(19)				
3350	Accumulated deficit		(19,115,565)	(48)	(13,789,135)	(30)
3500	Treasury shares	6(18)	(704,394)	(2)	-	-
31XX	Total equity attributable to owners of the parent		23,352,005	59	29,383,115	64
3XXX	Total Equity		23,352,005	59	29,383,115	64
Significant contingent liabilities and unrecognized contract commitments						
Significant events after the balance sheet date		11				
3X2X	Total Liabilities and Equity		\$ 39,803,010	100	\$ 45,658,596	100

The accompanying notes are an integral part of these consolidated financial statements.

ASIA PACIFIC TELECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2022 AND 2021

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSSES PER SHARE AMOUNT)

		Years ended December 31,				
		2022		2021		
	Notes	Amount	%	Amount	%	
4000	Operating revenue	6(20) and 7(3)	\$ 12,931,405	100	\$ 12,646,665	100
5000	Operating costs	6(4)(25) and 7(3)	(12,118,161)	(93)	(12,643,883)	(100)
5900	Gross profit or loss		813,244	7	2,782	-
	Operating expenses	6(25), 7(3)(4)				
6100	Selling expenses		(4,086,763)	(31)	(3,994,140)	(32)
6200	Administrative expenses		(858,812)	(7)	(952,407)	(8)
6450	Expected credit loss	12(2)	(78,005)	(1)	(48,668)	-
6000	Total operating expenses		(5,023,580)	(39)	(4,995,215)	(40)
6900	Operating loss		(4,210,336)	(32)	(4,992,433)	(40)
	Non-operating income and expenses					
7100	Interest income	6(21)	1,754	-	12,265	-
7010	Other income	6(22) and 7(3)	125,234	1	133,118	1
7020	Other gains and losses	6(23)	(13,922)	-	60,376	1
7050	Finance costs	6(24) and 7(3)	(197,822)	(2)	(84,674)	(1)
7060	Share of income from associates and joint ventures accounted for using equity method		(7,646)	-	(37,793)	-
7000	Total non-operating income and expenses		(92,402)	(1)	83,292	1
7900	Loss before tax		(4,302,738)	(33)	(4,909,141)	(39)
7950	Income tax expense	6(27)	(1,055,000)	(8)	(465,000)	(3)
8200	Loss		(\$ 5,357,738)	(41)	(\$ 5,374,141)	(42)
	Other comprehensive income (loss), net					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(15)	\$ 39,135	-	\$ 21,245	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(27)	(7,827)	-	(4,249)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		31,308	-	16,996	-
	Components of other comprehensive income that may be reclassified to profit or loss					
8361	Exchange differences on translation		-	-	2	-
8360	Components of other comprehensive income that may be reclassified to profit or loss		-	-	2	-
8300	Other comprehensive income, net		\$ 31,308	-	\$ 16,998	-
8500	Total comprehensive loss		(\$ 5,326,430)	(41)	(\$ 5,357,143)	(42)
	Profit (loss), attributable to:					
8610	Owners of the parent		(\$ 5,357,738)	(41)	(\$ 5,374,141)	(42)
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		(\$ 5,326,430)	(41)	(\$ 5,357,143)	(42)
9750	Basic losses per share	6(28)	(\$ 1.26)		(\$ 1.35)	
9850	Diluted losses per share	6(28)	(\$ 1.26)		(\$ 1.35)	

The accompanying notes are an integral part of these consolidated financial statements.

ASIA PACIFIC TELECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent					
		<u>Share capital</u>	<u>Capital surplus</u>	<u>Retained earnings</u>	<u>Other equity</u>		
			Changes in net assets of associates accounted for under equity method	Accumulated deficit	Exchange difference on translation of foreign financial statements	Treasury shares	Total equity
Notes	Common shares						
<u>Year 2021</u>							
	Balance at January 1, 2021	\$ 38,171,964	\$ -	(\$ 8,431,990)	(\$ 2)	\$ -	\$ 29,739,972
	(Loss) profit	-	-	(5,374,141)	-	-	(5,374,141)
	Other comprehensive income	-	-	16,996	2	-	16,998
	Total comprehensive (loss) income	-	-	(5,357,145)	2	-	(5,357,143)
	Issuance of shares	6(18) 5,000,000	-	-	-	-	5,000,000
	Changes in net assests of associates accounted for under equity method	-	286	-	-	-	286
	Balance at December 31, 2021	\$ 43,171,964	\$ 286	(\$ 13,789,135)	\$ -	\$ -	\$ 29,383,115
<u>Year 2022</u>							
	Balance at January 1, 2022	\$ 43,171,964	\$ 286	(\$ 13,789,135)	\$ -	\$ -	\$ 29,383,115
	(Loss) profit	-	-	(5,357,738)	-	-	(5,357,738)
	Other comprehensive income	-	-	31,308	-	-	31,308
	Total comprehensive (loss) income	-	-	(5,326,430)	-	-	(5,326,430)
	Disposal of investment accounted for using the equity method	-	(286)	-	-	-	(286)
	Treasury shares repurchase	6(18) -	-	-	-	(704,394)	(704,394)
	Balance at December 31, 2022	\$ 43,171,964	\$ -	(\$ 19,115,565)	\$ -	-\$ 704,394	\$ 23,352,005

The accompanying notes are an integral part of these consolidated financial statements.

ASIA PACIFIC TELECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31,	
	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 4,302,738)	(\$ 4,909,141)
Adjustment to reconcile loss before tax to net cash (used in) provided by operating activities:			
Depreciation	6(25)	3,132,003	3,732,855
Amortization	6(25)	2,032,235	1,783,331
Amortization on assets recognized as incremental costs to obtain contract with customers	6(9)	2,114,054	1,924,300
Expected credit loss	12(2)	78,005	48,668
Interest expense	6(24)	197,822	84,674
Interest income	6(21)	(1,754)	(12,265)
Share of loss (profit) of associates accounted for using equity method		7,646	37,793
Gain on disposal of property, plant and equipment and intangible assets	6(23)	(24,947)	(58,169)
Gain on disposal of investments	6(23)	(1,286)	-
Provision for litigation loss	6(23)	22,929	-
Reversal of provision	6(22)	- (	( 8,037)
Gains arising from lease modifications	6(23)	(2,483)	(1,152)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		30,143 (	( 40,814)
Notes receivable		2,109	2,614
Accounts receivable	(	( 10,097)	161,223
Accounts receivable due from related parties		10,088 (	( 4,999)
Other receivables	(	( 23,552)	(25,763)
Inventories		128,881 (	( 82,638)
Prepayments		322,724 (	( 471,202)
Assets recognized as incremental costs to obtain contract with customers	(	( 1,969,256)	(2,182,779)
Changes in operating liabilities			
Contract liabilities	(	( 46,677)	(516)
Notes payable	(	( 5,312)	(633)
Accounts payable	(	( 39,801)	71,497
Accounts payable due from related parties		39,958 (	( 3,767)
Other payables		37,105 (	( 148,312)
Other current liabilities		130 (	( 420)
Provisions	(	( 450)	-
Net defined benefit liabilities	(	( 9,693)	(15,340)
Other non-current liabilities	(	( 19,528)	(57,920)
Cash (used in) provided by operations		1,698,258 (	( 61,072)
Income tax paid	(	( 50)	(413)
Income tax refund received		2,762	309
Net cash (used in) provided by operating activities		1,700,970	(61,176)

(Continued)

ASIA PACIFIC TELECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31,	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Net cash outflow on loss control of subsidiaries		\$ 1,000	\$ -
Acquisition of property, plant and equipment		(2,060,974)	(2,778,710)
Proceeds from disposal of property, plant and equipment, and intangible assets		2,201,804	1,454
Increase in refundable deposits		(147,387)	(248,946)
Decrease in refundable deposits		120,397	265,357
Acquisition of intangible assets	6(8)	(495,935)	(54,809)
The price received in the exchange of intangible assets	6(8)	299,630	-
Decrease (increase) in other current assets - restricted deposits		(2,826)	38,632
Increase in other non-current assets		(935,118)	(11,470,826)
Increase in other non-current assets - restricted deposits		(30,246)	(48,897)
Interest received		1,179	13,459
Dividend received		-	17,725
Net cash used in investing activities		(1,048,476)	(14,265,561)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(29)	(625,000)	2,445,000
Increase (decrease) in short-term notes and bills payable	6(29)	(315,000)	670,000
Proceeds from long-term borrowings	6(29)	2,360,000	2,705,000
Payment of arrangement fees and management fees of long-term borrowings	6(29)	(1,986)	(42,890)
Repayments of long-term borrowings	6(29)	(116,667)	(833)
Increase in guarantee deposits received	6(29)	48,875	49,042
Decrease in guarantee deposits received	6(29)	(52,378)	(44,491)
Repayments of principal portion of lease liabilities	6(29)	(1,557,117)	(1,538,826)
Proceeds from issuance of shares	6(18)	-	5,000,000
Reperchase of the cost of treasury shares	6(18)	(704,394)	-
Interest paid		(183,921)	(82,984)
Net cash provided by (used in) financing activities		(1,147,588)	9,159,018
Decrease in cash and cash equivalents		(495,094)	(5,167,719)
Cash and cash equivalents at beginning of the year		704,003	5,871,722
Cash and cash equivalents at end of the year		\$ 208,909	\$ 704,003

The accompanying notes are an integral part of these consolidated financial statements.

Independent Auditors' Report Translated from Chinese

PWCR22002301

To the Board of Directors and Shareholders of Asia Pacific Telecom Co., Ltd.

Opinion

We have audited the accompanying balance sheets of Asia Pacific Telecom Co., Ltd. (the “Company”) as at December 31, 2022 and 2021, and the related statements of comprehensive income, of changes in equity, and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and, in

forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's financial statements of the year ended December 31, 2022 are stated as follows:

Key audit matter – Accuracy of revenue calculation on telecommunication service

Description

For accounting policies applied to revenue recognition, please refer to Note 4(27). For details of revenue, please refer to Note 6(20).

The Company's revenue is mainly generated from providing telecommunication services and selling mobile phones, etc. Telecommunication services revenue consist of voice/text and mobile data service. Revenue recognition on telecommunication service is calculated based on contractual rate and actual usage. Due to the high transaction volume and the diversification of the telecommunication contracts, the Company's revenue recognition highly relies on the system calculation. Thus, the accuracy of telecommunication service revenue calculation was identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding and tested the control activities which management has put in place regarding the calculation accuracy of telecommunication services.
2. Obtained an understanding of the reasonableness of revenue calculation logic on telecommunication services and tested the key control activities relating to traffic volume and contractual rate.
3. Sampled system generated calculation reports of telecommunication services revenue and agreed to customers' bills.
4. Agreed system generated calculation reports of telecommunication services revenue to journal entry vouchers.
5. Agreed the information in customers' contracts to the information in the system.

Key audit matter – Impairment assessment of operating assets

Description

For accounting policies applied to property, plant and equipment, right-of-use assets and intangible assets, please refer to Notes 4(14) ,(15) and (16). For accounting policies applied to impairment assessment of non-financial assets, please refer to Note 4(17). For critical accounting estimates and key sources of assumption uncertainty applied to property, plant and equipment, right-of-use assets, intangible assets and other operating assets, please refer to Note 5(2). For details of account items, please refer to Notes 6(6), (7) , (8) and (9).

The Company's operating assets represents a significant percentage of total assets, and the valuation of these assets is affected by the overall industry developments and the Company's operation. The Company used the value in use to estimate the recoverable amount which involves management's judgements, such as the estimation of future cash flows and the determination of discount rate, etc. Management's judgements mentioned above involve future years' forecast which are highly uncertain and have a material impact on estimation of value in use. Therefore, the impairment assessment of operating assets was identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

We obtained and assessed the information provided by the Company and the valuation report prepared by external professional valuers engaged by the Company.

1. Compared the parameters used in predicting future cash flows with historical experience, economic and industrial forecasts.
2. Compared the parameters used in determining discount rate with the assumptions on capital cost of cash generating units, and with returns rate on market.
3. Verified the valuation model calculation.
4. Assessed the future cash flow sensitivity analysis based on the alternative hypothesis using different discount rates and considered the possible impact on the estimation uncertainty of impairment assessment.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company’s financial reporting process.

Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than of one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those

matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Wu, Yu-Lung

Huang, Shih-Chun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 2, 2023

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ASIA PACIFIC TELECOM CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		December 31, 2022		December 31, 2021		
ASSETS		Notes	Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 205,683	1	\$ 701,008	1
1140	Current contract assets	6(20)	253,861	1	288,588	1
1150	Notes receivable, net	6(3)	758	-	2,867	-
1170	Accounts receivable, net	6(3)	1,323,376	3	1,391,345	3
1180	Accounts receivable due from related parties, net	6(3) and 7(3)	8,259	-	18,347	-
1200	Other receivables		114,208	-	415,455	1
1220	Current tax assets	6(27)	1,303	-	4,015	-
130X	Inventories	6(4)	125,374	-	254,255	1
1410	Prepayments	7(3)	329,606	1	619,666	1
1470	Other current assets	6(5) and 8	85,268	-	36,733	-
11XX	Total current assets		2,447,696	6	3,732,279	8
Non-current assets		6(2)				
1560	Non-current contract assets	6(20)	189,881	-	185,236	-
1550	Investments accounted for using equity method		145,241	-	152,662	-
1600	Property, plant and equipment	6(6) and 7(3)	8,647,499	22	9,777,910	22
1755	Right-of-use assets	6(7) and 7(3)	3,544,311	9	4,129,388	9
1780	Intangible assets	6(8) and 7(3)	7,984,320	20	9,472,741	21
1840	Deferred tax assets	6(27)	2,232,068	6	3,287,577	7
1900	Other non-current assets	6(9)(10)(15), 7(3) and 8	14,611,935	37	14,920,750	33
15XX	Total non-current assets		37,355,255	94	41,926,264	92
1XXX	Total Assets		\$ 39,802,951	100	\$ 45,658,543	100

(Continued)

ASIA PACIFIC TELECOM CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2022		December 31, 2021	
LIABILITIES AND EQUITY		Notes	Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 3,010,000	8	\$ 3,635,000	8
2110	Short-term notes and bills payable		585,000	2	900,000	2
2130	Current contract liabilities	6(20) and 7(3)	477,239	1	523,916	1
2150	Notes payable		12,664	-	17,976	-
2170	Accounts payable		811,599	2	851,400	2
2180	Accounts payable to related parties	7(3)	94,839	-	54,881	-
2200	Other payables	6(12) and 7(3)	2,730,724	7	3,237,547	7
2250	Current provisions	6(14)	22,479	-	-	-
2280	Current lease liabilities	7(3)	1,223,037	3	1,346,917	3
2320	Long-term liabilities, current portion	6(13)	851,417	2	46,667	-
2399	Other current liabilities		633	-	503	-
21XX	Total current liabilities		9,819,631	25	10,614,807	23
Non-current liabilities						
2540	Long-term borrowings	6(13)	4,062,173	10	2,615,393	6
2550	Non-current provisions	6(14)	459,026	1	430,648	1
2570	Deferred tax liabilities	6(27)	7,318	-	-	-
2580	Non-current lease liabilities	7(3)	1,844,796	4	2,321,313	5
2600	Other non-current liabilities	6(17)	258,002	1	293,267	1
25XX	Total non-current liabilities		6,631,315	16	5,660,621	13
2XXX	Total Liabilities		16,450,946	41	16,275,428	36
Share capital		6(18)				
3110	Common shares		43,171,964	109	43,171,964	94
Capital surplus						
3200	Capital surplus		-	-	286	-
Retained earnings		6(19)				
3350	Accumulated deficit		(19,115,565)	(48)	(13,789,135)	(30)
3500	Treasury Shares	6(18)	(704,394)	(2)	-	-
3XXX	Total Equity		23,352,005	59	29,383,115	64
Significant contingent liabilities and unrecognized contract commitments						
Significant events after the balance sheet date		11				
3X2X	Total Liabilities and Equity		\$ 39,802,951	100	\$ 45,658,543	100

The accompanying notes are an integral part of these parent company only financial statements.

ASIA PACIFIC TELECOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSSES PER SHARE AMOUNT)

		Years ended December 31,				
		2022		2021		
	Notes	Amount	%	Amount	%	
4000	Operating revenue	6(20) and 7(3)	\$ 12,931,405	100	\$ 12,646,665	100
5000	Operating costs	6(4)(25) and 7(3)	(12,118,161)	(93)	(12,643,883)	(100)
5900	Gross profit or loss		813,244	7	2,782	-
	Operating expenses	6(25), 7(3)(4)				
6100	Selling expenses		(4,086,763)	(31)	(3,994,140)	(32)
6200	Administrative expenses		(858,711)	(7)	(952,310)	(8)
6450	Expected credit loss	12(2)	(78,005)	(1)	(48,668)	-
6000	Total operating expenses		(5,023,479)	(39)	(4,995,118)	(40)
6900	Operating loss		(4,210,235)	(32)	(4,992,336)	(40)
	Non-operating income and expenses					
7100	Interest income	6(21)	1,749	-	12,256	-
7010	Other income	6(22) and 7(3)	125,234	1	133,118	1
7020	Other gains and losses	6(23)	(14,243)	-	60,462	1
7050	Finance costs	6(24) and 7(3)	(197,822)	(2)	(84,674)	(1)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method, net		(7,421)	-	(37,967)	-
7000	Total non-operating income and expenses		(92,503)	(1)	83,195	1
7900	Loss before tax		(4,302,738)	(33)	(4,909,141)	(39)
7950	Income tax expense	6(27)	(1,055,000)	(8)	(465,000)	(3)
8200	Loss		(\$ 5,357,738)	(41)	(\$ 5,374,141)	(42)
	Other comprehensive income, net					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(15)	\$ 39,135	-	\$ 21,245	-
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(27)	(7,827)	-	(4,249)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		31,308	-	16,996	-
	Components of other comprehensive income that may be reclassified to profit or loss					
8361	Exchange differences on translation		-	-	2	-
8360	Components of other comprehensive income that may be reclassified to profit or loss		-	-	2	-
8300	Other comprehensive income, net		\$ 31,308	-	\$ 16,998	-
8500	Total comprehensive loss		(\$ 5,326,430)	(41)	(\$ 5,357,143)	(42)
9750	Basic losses per share	6(28)	(\$ 1.26)		(\$ 1.35)	
9850	Diluted losses per share	6(28)	(\$ 1.26)		(\$ 1.35)	

The accompanying notes are an integral part of these parent company only financial statements.

ASIA PACIFIC TELECOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		<u>Share capital</u>	<u>Capital surplus</u>	<u>Retained earnings</u>	<u>Other equity</u>		
			<u>Changes in</u>		<u>Exchange</u>		
			<u>net assets of</u>		<u>difference on</u>		
			<u>associates accounted</u>		<u>translation of</u>		
			<u>for under equity</u>	<u>Accumulated</u>	<u>foreign financial</u>		
	<u>Notes</u>	<u>Common shares</u>	<u>method</u>	<u>deficit</u>	<u>statements</u>	<u>Treasury shares</u>	<u>Total equity</u>
<u>Year 2021</u>							
Balance at January 1, 2021		\$ 38,171,964	\$ -	(\$ 8,431,990)	(\$ 2)	\$ -	\$ 29,739,972
Loss		-	-	(5,374,141)	-	-	(5,374,141)
Other comprehensive income		-	-	16,996	2	-	16,998
Total comprehensive (loss) income		-	-	(5,357,145)	2	-	(5,357,143)
Issuance of shares	6(18)	5,000,000	-	-	-	-	5,000,000
Changes in net assets of associates accounted for under equity method		-	286	-	-	-	286
Balance at December 31, 2021		<u>\$ 43,171,964</u>	<u>\$ 286</u>	<u>(\$ 13,789,135)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,383,115</u>
<u>Year 2022</u>							
Balance at January 1, 2022		\$ 43,171,964	\$ 286	(\$ 13,789,135)	\$ -	\$ -	\$ 29,383,115
Loss		-	-	(5,357,738)	-	-	(5,357,738)
Other comprehensive income		-	-	31,308	-	-	31,308
Total comprehensive (loss) income		-	-	(5,326,430)	-	-	(5,326,430)
Disposal of investment accounted for using the equity method		-	(286)	-	-	-	(286)
Treasury shares repurchase	6(18)	-	-	-	-	(704,394)	(704,394)
Balance at December 31, 2022		<u>\$ 43,171,964</u>	<u>\$ -</u>	<u>(\$ 19,115,565)</u>	<u>\$ -</u>	<u>(\$ 704,394)</u>	<u>\$ 23,352,005</u>

The accompanying notes are an integral part of these parent company only financial statements.

ASIA PACIFIC TELECOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31,	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(\$ 4,302,738)	(\$ 4,909,141)
Adjustments			
Adjustment to reconcile loss before tax to net cash (used in) provided by operating activities:			
Depreciation	6(25)	3,132,003	3,732,855
Amortization	6(25)	2,032,235	1,783,331
Amortization on assets recognized as incremental costs to obtain contract with customers	6(9)	2,114,054	1,924,300
Expected credit loss	12(2)	78,005	48,668
Interest expense	6(24)	197,822	84,674
Interest income	6(21)	(1,749)	(12,256)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method		7,421	37,967
Gain on disposal of property, plant and equipment and intangible assets	6(23)	(24,947)	(58,169)
Gain on disposal of investments	6(23)	(1,286)	-
Provision for litigation loss	6(23)	22,929	-
Reversal of provision	6(22)	-	(8,037)
Gains arising from lease modifications	6(23)	(2,483)	(1,152)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		30,143	(40,814)
Notes receivable		2,109	2,614
Accounts receivable	(	10,097)	161,223
Accounts receivable due from related parties		10,088	(4,999)
Other receivables	(	23,552)	(25,763)
Inventories		128,881	(82,638)
Prepayments		322,724	(471,201)
Assets recognized as incremental costs to obtain contract with customers	(	1,969,256)	(2,182,779)
Changes in operating liabilities			
Contract liabilities	(	46,677)	(516)
Notes payable	(	5,312)	(633)
Accounts payable	(	39,801)	71,497
Accounts payable to related parties		39,958	(3,767)
Other payables		37,099	(148,309)
Other current liabilities		130	(420)
Provisions	(	450)	-
Net defined benefit liabilities	(	9,693)	(15,340)
Other non-current liabilities	(	19,528)	57,920
Cash (used in) provided by operations		1,698,032	(60,885)
Income tax paid	(	50)	(413)
Income tax refund		2,762	309
Net cash (used in) provided by operating activities		1,700,744	(60,989)

(Continued)

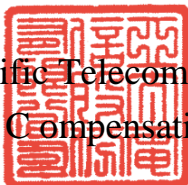
ASIA PACIFIC TELECOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31,	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of investments accounted for using equity method		\$ 1,000	\$ -
Acquisition of property, plant and equipment		(2,060,974)	(2,778,710)
Proceeds from disposal of property, plant and equipment and intangible assets		2,201,804	1,454
Increase in refundable deposits		(147,387)	(248,946)
Decrease in refundable deposits		120,397	265,357
Acquisition of intangible assets	6(8)	(495,935)	(54,809)
The price received in the exchange of intangible assets	6(8)	299,630	-
Decrease (Increase) in other current assets - restricted deposits		(2,826)	38,632
Increase in other non-current assets		(935,118)	(11,470,826)
Increase in other non-current assets - restricted deposits		(30,246)	(48,897)
Interest received		1,174	13,450
Cash dividend received		-	17,725
Net cash used in investing activities		(1,048,481)	(14,265,570)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(29)	(625,000)	2,445,000
Increase (decrease) in short-term notes and bills payable	6(29)	(315,000)	670,000
Proceeds from long-term borrowings	6(29)	2,360,000	2,705,000
Payment of arrangement fees and management fees of long-term borrowings	6(29)	(1,986)	(42,890)
Repayments of long-term borrowings	6(29)	(116,667)	(833)
Increase in guarantee deposits received	6(29)	48,875	49,042
Decrease in guarantee deposits received	6(29)	(52,378)	(44,491)
Repayments of principal portion of lease liabilities	6(29)	(1,557,117)	(1,538,826)
Proceeds from issuance of shares	6(18)	-	5,000,000
Reperchase of the cost of treasury shares	6(18)	(704,394)	-
Interest paid		(183,921)	(82,984)
Net cash provided by (used in) financing activities		(1,147,588)	9,159,018
Decrease in cash and cash equivalents		(495,325)	(5,167,541)
Cash and cash equivalents at beginning of the year		701,008	5,868,549
Cash and cash equivalents at end of the year		\$ 205,683	\$ 701,008

The accompanying notes are an integral part of these parent company only financial statements.

Attachment IV

Asia Pacific Telecom Co., Ltd.
2022 Deficit Compensation Statement



Unit: NT\$

Item	Amount
Beginning loss to be covered	(13,789,135,086)
Less: Net loss for the current period	(5,357,738,330)
Add: Other comprehensive income for the current period	31,307,806
Ending loss to be covered	(19,115,565,610)

Chairman:



Manager:



Accounting Manager:



The Implementation of Strengthening Business Operation Plan in 2022

I. Business Strategy:

i. Telecom Revenue

The primary leading indicator of telecom revenue is AQ (additions) – Churn (unsubscriptions) + ΔR (renewals), which had been positive every month from 2021 to November 2022.

After launching the co-spectrums and co-network 5G MOCN (Multi-Operator Core Network) business model on August 12th, 2021, collaborating with Far EasTone Telecommunications Co., Ltd. (hereinafter referred to as “FET”), the Company has continued to promote its 4G customers to upgrade to 5G plans, resulting in an increase in ARPU (Average Revenue Per User) from \$NT 300 in the third quarter of 2021 to \$NT 315 in 2022.

In March 2022, benefiting from the merger with FET news, the Company's leading indicator for single-month net operating revenue increased dramatically to \$NT 8.14 million.

In the second half of 2022, the Company experienced a decreasing trend in single-month net operating revenue due to the closure of weak direct-selling stores, expiration of franchise contracts, and a raise in commission subsidy of competitors. Additionally, from November, the merger with FET began to affect our distribution channels to shift new subscriber applications to the three major competitors. Consequently, the leading indicator for telecom revenue became negative in December.

In the future, we will continue to strengthen our renewals, migrating to 5G tariff plans, and our unsubscription defense strategy. We will also actively seek cooperation in the competitive distribution market to convert this leading indicator into a positive figure, thereby increasing ARPU and 5G penetration rates.

ii. Revenue from the fixed network and new services

Revenue from the fixed network and new services increased by 7% in 2022 compared to the same period last year. To maintain revenue from the fixed network and expand revenue from new services, the Company continues to implement the following action plans:

1. The fixed network and ISP:

We will continue consolidating our existing fixed network customers and preparing relevant plans in the face of competitive pricing.

Strategically speaking, we will leverage the advantage of our dual backbone network coverage and target the existing customers of our competitors. We will also actively pursue international internet/cloud service providers and seize government bids for fixed network data by strengthening our fiber optic network to expand our backbone businesses in the sales of large bandwidth, such as in global telecom and domestic and foreign Internet enterprises.

2. New services:

The Company will focus on digital applications in the three areas of ICT, IoT, and smart products. By leveraging the IoT etc. advantages of environmental monitoring, collaborating with vertical industries such as energy, security, and transportation, and getting hold of the pre-bid competitive situation, the Company will enhance its competitiveness in bidding and improve its ability to negotiate contracts with partners, which will increase our chances of winning bids and ultimately expand our revenue from new services.

II. Financial Overview:

The consolidated income and financial analysis of the Company for 2022 are as follows:

Unit: NT\$ thousand

Item	2022 (audited number)	2021 (audited number)	Increase/ decrease	Increase/decrease Ratio
Operating revenue	12,931,405	12,646,665	284,740	2.25%
Operating costs	12,118,161	12,643,883	(525,722)	(4.16%)
Gross profit or loss	813,244	2,782	810,462	29,132.35%
Operating expenses	5,023,580	4,995,215	28,365	0.57%
Operating loss	(4,210,336)	(4,992,433)	782,097	15.67%
Non-operating income and expense	(92,402)	83,292	(175,694)	(210.94%)
Loss before tax	(4,302,738)	(4,909,141)	606,403	12.35%
Income tax expense	(1,055,000)	(465,000)	(590,000)	(126.88%)
Loss	(5,357,738)	(5,374,141)	16,403	0.31%

Explanation:

1. The overall ARPU (average revenue per user) increased from \$NT 300 to \$NT 315 due to the 4G migrating to 5G plan, resulting in an increase in telecom revenue compared to the same period last year. The decrease in operating costs is mainly due to the reduction in cost of goods sold and depreciation (depreciation useful life expiration of fixed assets and amortization from disposal of spectrum and equipment).
The increase in revenue and decrease in cost resulted in an increase of \$NT 810 million dollars in gross operating profit for the Company in 2022 compared to the same period last year.
2. The increase in operating expenses was mainly due to the increase in commission expenses compared to the same period last year.
3. The increase in non-operating income and expenses was mainly due to the increase in interest expenses compared to the same period last year.
4. In November 2019 and September 2021, the Company completed private placements of common shares for cash capital increase of NT\$10 billion and NT\$5 billion, respectively. However, in September 2021, the Company paid Far EasTone NT\$9.947 billion to acquire the right to use the co-spectrums and co-network network capacity in the 3.5GHz frequency band. Subsequently, the Company continues to amortize the capital expenditure and operating expenses for constructing 3.5GHz base stations and repurchasing treasury shares from dissenting shareholders in the merger. As a result, the debt ratio increased from 32.29% to 41.33%, the current ratio decreased from 42.93% to 24.96%, and the quick ratio decreased from 34.60% to 20.33%.

Attachment VI

Asia Pacific Telecom Co., Ltd.

Table of Comparison Before and After Amendment to the "Articles of Association"

Articles After Amendment	Original Articles	Reasons for Amendments
<p>Chapter I Shareholders' Meeting Article 11: Shareholders' Meeting shall be of two types, namely General and Extraordinary Shareholders' Meeting. The former shall be convened once a year within six months after the close of each fiscal year and the latter shall be convened whenever necessary. <u>Shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</u> Upon consent from the counterparty, the convening of a Shareholders' Meeting may be held in electronic means.</p>	<p>Chapter II Shareholders' Meeting Article 11: Shareholders' Meeting shall be of two types, namely General and Extraordinary Shareholders' Meeting. The former shall be convened once a year within six months after the close of each fiscal year and the latter shall be convened whenever necessary. Upon consent from the counterparty, the convening of a Shareholders' Meeting may be held in electronic means.</p>	<p>※ According to Article 172-2 of the Company Act. A company may explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network. Paragraph 2 of this Article are amended accordingly.</p>
<p>Article 31: The Articles of Association was established on May 3, 2000. The 1st amendment was made on May 14, 2001; The 2nd amendment was made on June 24, 2002; The 3rd amendment was made on June 25, 2004; The 4th amendment was made on October 26, 2007; The 5th amendment was made on June 23, 2010; The 6th amendment was made on June 24, 2011; The 7th amendment was made on June 20, 2012; The 8th amendment was made on June 20, 2014; The 9th amendment was made on</p>	<p>Article 31: The Articles of Association was established on May 3, 2000. The 1st amendment was made on May 14, 2001; The 2nd amendment was made on June 24, 2002; The 3rd amendment was made on June 25, 2004; The 4th amendment was made on October 26, 2007; The 5th amendment was made on June 23, 2010; The 6th amendment was made on June 24, 2011; The 7th amendment was made on June 20, 2012; The 8th amendment was made on June 20, 2014; The 9th amendment was made on</p>	<p>※ Added the date and number of the current amendment.</p>

Articles After Amendment	Original Articles	Reasons for Amendments
<p>June 25, 2015; The 10th amendment was made on June 22, 2016; The 11th amendment was made on June 20, 2018; The 12th amendment was made on June 19, 2019; The 13th amendment was made on June 17, 2020; The 14th amendment is to be made on August 25, 2021; The 15th amendment is to be made on June 20, 2022; <u>The 16th amendment is to be made on June 30, 2023,</u> which shall come into force upon the adoption of a resolution of the general shareholders' meeting.</p>	<p>June 25, 2015; The 10th amendment was made on June 22, 2016; The 11th amendment was made on June 20, 2018; The 12th amendment was made on June 19, 2019; The 13th amendment was made on June 17, 2020; The 14th amendment is to be made on August 25, 2021; The 15th amendment is to be made on June 20, 2022; which shall come into force upon the adoption of a resolution of the general shareholders' meeting.</p>	

List of Candidates for Director and Independent Director

Candidates	1	2
Category	Director	Independent Director
Name	Tim Liu	Hehg Shiang Wu
Shareholding	0	0
Education	<ul style="list-style-type: none"> • EMBA Business Administration, Natuon Taiwan University 	<ul style="list-style-type: none"> • Accounting Institute of Fu Jen Catholic University
Experience	<ul style="list-style-type: none"> • VP, Legal and Regulatory Department, AMBIT Microsystems Corp. • Director, Telecom Division, Telecom Technology Center • VP, Regulatory and Public Affairs, Taiwan Mobile Co.,LTD. 	<ul style="list-style-type: none"> • Director of Defoncpa United Accounting Firm
Present position	<ul style="list-style-type: none"> • VP, Legal Regulatory and Operation Support Center, Asia Pacific Telecom Co.,LTD. 	<ul style="list-style-type: none"> • Director of Defoncpa United Accounting Firm • Chairman, Zhongye Co.,Ltd. • Independent Director, Alcorlink Corp. • Supervisor, Tmy Technology Inc.
Representative of company	None	None

Contents of the Company's Directors (including Independent Directors) Proposed to be Released from Non-Compete Clause

Director	Company	Position
Baoxin International Investment Co., Ltd Representative : Peng Chen	Dafeng TV Ltd.	Director
Baoxin International Investment Co., Ltd Representative : Wen Lin, Kung	Dynamic Computing Technology Co., Ltd	Director
	Altus Technology Inc.	Director
	Hon Lin Technology Co., Ltd.	Director
Candidate Independent Director	Company	Position
Hehg Shiang Wu	Defoncpa United Accounting Firm	Director
	Zhongye Co., Ltd.	Chairman
	Alcorlink Corp.	Independent Director

Appendices

- I. Articles of Association/ Page 48-54
- II. Rules of Procedure for Shareholders' Meeting/ Page 55-60
- III. Procedures for Election of Directors / Page 61-62
- IV. Shareholding Status from All Directors/ Page 63

Articles of Association of Asia Pacific Telecom Co., Ltd.(Before Amendent)

Established at the Sponsor Meeting on May 3, 2000.

First amendment approved by the Shareholders' Meeting on May 14, 2001.

Second amendment approved by the Shareholders' Meeting on June 24, 2002.

Third amendment approved by the Shareholders' Meeting on June 25, 2004.

Fourth amendment approved by the Shareholders' Meeting on October 26, 2007.

Fifth amendment approved by the Shareholders' Meeting on June 23, 2010.

Sixth amendment approved by the Shareholders' Meeting on June 24, 2011.

Seventh amendment approved by the Shareholders' Meeting on June 20, 2012.

Eighth amendment approved by the Shareholders' Meeting on June 20, 2014.

Ninth amendment approved by the Shareholders' Meeting on June 25, 2015.

Tenth amendment approved by the Shareholders' Meeting on June 22, 2016.

Eleventh amendment approved by the Shareholders' Meeting on June 20, 2018.

Twelfth amendment approved by the Shareholders' Meeting on June 19, 2019

Thirteenth amendment approved by the Shareholders' Meeting on June 17, 2020

Fourteenth amendment approved by the Shareholders' Meeting on August 25, 2021

Fifteenth amendment approved by the Shareholders' Meeting on June 20, 2022

Chapter I General Provisions

Article 1: The Company is organized in accordance with the Company Act, and the name of the Company is Asia Pacific Telecom Co., Ltd.

Article 2: The scope of the Company's business activities includes:

1. CC01060 Wired Communication Equipment and Apparatus Manufacturing.
2. CC01070 Telecommunication Equipment and Apparatus Manufacturing.
3. CC01080 Electronic Parts and Components Manufacturing.
4. CC01110 Computers and Computing Peripheral Equipments Manufacturing.
5. CC01120 Data Storage Media Manufacturing and Duplicating.
6. CD01020 Rail Vehicle and Parts Manufacturing.
7. E601010 Electric Appliance Construction.
8. E603050 Automatic Control Equipment Engineering.
9. E603080 Traffic Signs Installation Engineering.
10. E603090 Illumination Equipments Construction.
11. E701010 Telecommunications Construction.
12. E701020 Channel KU and C of Satellite TV Equipments and Materials Construction.
13. E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction.
14. EZ06010 Traffic Marking Engineering
15. F108031 Wholesale of Drugs, Medical Goods.
16. F113010 Wholesale of Machinery.
17. F113020 Wholesale of Household Appliance.
18. F113030 Wholesale of Precision Instruments.
19. F113070 Wholesale of Telecom Instruments.
20. F113110 Wholesale of Batteries.
21. F114080 Wholesale of Track Vehicle and Component Parts Thereof.
22. F118010 Wholesale of Computer Software.
23. F119010 Wholesale of Electronic Materials.
24. F208031 Retail sale of Medical Equipments.
25. F213010 Retail Sale of Household Appliance.
26. F213040 Retail Sale of Precision Instruments.
27. F213060 Retail Sale of Telecom Instruments.
28. F214080 Retail Sale of Track Vehicle and Component Parts Thereof.
29. F214990 Retail Sale of Other Traffic Means of Transport and Component Parts Thereof.

30. F218010 Retail Sale of Computer Software.
31. F219010 Retail Sale of Electronic Materials.
32. F401010 International Trade.
33. F401181 Measuring Instruments Import
34. G903010 Telecommunications.
35. H701040 Specific Area Development
36. I103060 Management Consulting Services.
37. I301040 The third-party payment.
38. IG03010 Energy Technical Services.
39. I301010 Software Design Services.
40. I301020 Data Processing Services.
41. I301030 Digital Information Supply Services.
42. IE01010 Telecommunications Number Agencies.
43. IZ99990 Other Industry and Commerce Services Not Elsewhere Classified.
44. J101050 Environmental Testing Services
45. JE01010 Rental and Leasing Business.
46. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The total amount of the Company's reinvestment shall not be subject to the restriction of not exceeding 40% of its paid-in capital.

Article 4: The Company may act as a guarantor for external parties for business needs; provided endorsements and guarantees are handled in accordance with the Company's Regulations Governing Making of Endorsements/Guarantees.

Article 5: The Company shall have its head-office in Taipei City, Taiwan and, if necessary, may set up branches in and out of this country upon a resolution of its Board of Directors.

Chapter II Shareholding

Article 6: The total capital amount of the Company shall be sixty-five billion and six hundred and eighty million New Taiwan Dollars (NT\$65,680,000,000), which is divided into six billion and five hundred and sixty-eight million (6,568,000,000) shares, at a par value of ten New Taiwan Dollars (NT\$10) per share, and may be issued separately.

An amount of 500 million shares with par value of NT\$10 out of the aforesaid capital is reserved to serve as subscription warrants for employees as equity security, stock option as preferred stock or corporate bond with warrant and may be issued separately according to the resolution of the Board of Directors.

The Company may, upon the approval at a shareholders' meeting which is attended by shareholders holding at least 50% of the issued capital stock, by more than two-thirds of the shareholders attending the meeting, transfer the treasury shares to its employees at a price lower than the average buyback price.

Article 7: The share certificate of the Company shall all be name-bearing share certificates and shall be affixed with the seals or by signature of at least three or more Directors representing the Company, and issued after being duly authenticated pursuant to the law.

The Company may issue shares without printing share certificate, but shall have the shares registered with a centralized securities depository enterprise.

After public issuance of its shares, the Company may apply for an approval of ceasing its status as a public company by approval of the Board of Directors and resolution adopted at a Shareholders' Meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares. In the event the total number of shares represented by the shareholders present at a Shareholders' Meeting of a company whose shares have been issued in public is less than the percentage of the total shareholdings required in the preceding Paragraph, the resolution may be adopted by two-third of the voting rights exercised by the shareholders present at the Shareholders' Meeting who represent a majority of the outstanding shares of the Company.

Article 8: All transfer of Company stocks, pledge of rights, loss, succession, gift, loss of seal,

amendment of seal, change of address or similar share transaction conducted by the shareholders of the Company shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" unless specified otherwise by law and securities regulations.

Article 9: The Company shall charge for administrative fees and stamp duties for the reissue of share certificates due to loss of the original share certificates or for other reasons.

Article 10: Registration of share transfers shall be suspended for a 60-day period immediately prior to a general meeting of the shareholders; for a 30-day period immediately prior to an extraordinary meeting of the shareholders; and for a 5-day period immediately prior to the record date for distribution of dividend, bonuses or other benefits.

Chapter III Shareholders' Meeting

Article 11: Shareholders' Meeting shall be of two types, namely General and Extraordinary Shareholders' Meeting. The former shall be convened once a year within six months after the close of each fiscal year and the latter shall be convened whenever necessary.

Upon consent from the counterparty, the convening of a Shareholders' Meeting may be held in electronic means.

Article 12: A shareholder of the Company shall have one vote for each share held by him/her/it, unless under the following situations, where the shareholder has no voting rights:

I. Shares held by the Company.

II. Shares held by a Company subsidiary in which the Company either holds decision-making rights or owns more than 50% of its paid-in capital.

III. Shares held by another company in which either the Company or its subsidiary either directly or indirectly holds decision-making rights or owns more than 50% of its paid-in capital.

Article 13: In a Shareholders' Meeting convened by the Board of Directors, the Chairman of the Board shall preside as the chairman of the Shareholders' Meeting. In his/her absence, the Chairman of the Board shall designate one of the Directors as the chairman. In case no such designation has been made, the Directors present at the meeting shall elect the chairman from amongst themselves.

Article 14: Unless otherwise provided by the Company Act and other applicable laws, all resolutions of a Shareholders' Meeting of the Company shall be passed, at a Shareholders' Meeting holding at least 50% of the issued capital stock, by more than 50% of the shareholders attending the meeting.

Chapter IV Board of Directors

Article 15: The Company shall have eleven directors, who shall be appointed by the board of shareholders by competent candidates for a term of three years and may be eligible for re-election. The election of directors shall adopt the candidate nomination system as specified in Article 192-1 of the Company Act.

The Company shall obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

The Board of Directors shall establish an Audit Committee, Remuneration Committee, and may set up relevant functional committees to provide reference for the decision-making of the Board of Directors.

Article 15-1: According to Article 14-2 of the Securities and Exchange Act, among the directors, there shall be no less than three Independent Directors, with no less than one-fifth of the seats of Directors.

Directors shall be elected by cumulative voting system by shareholders from a list of candidates for Independent Directors.

The election of Independent Directors and non-Independent Directors shall be held together; provided, however, the number of Independent Directors and non-Independent Directors elected shall be calculated separately.

Professional qualification, shareholding status, and limits on concurrent positions held at other companies, definition of independence, nomination and election methods, exercise of

authority and other relevant matters from Independent Directors shall be subject to the applicable laws.

Independent Directors of the Company shall not hold more than three concurrent positions as Independent Directors of other TWSE/TPEX listed companies, shall not hold concurrent position at the Company, and are prohibited from participation in business activities of the Company.

In case of termination or resignation of an Independent Director, leading the number of seats stipulated in Paragraph 1 or these Articles, a by-election shall be held at the most recent Shareholders' Meeting. When all seats of Independent Directors become vacant, the Board shall convene an extraordinary shareholders' meeting within 60 days to re-elect the Independent Directors to fill in the vacancies.

Article 16: If the Chairman of the Board is unable to perform his/her duties for any reasons, he/she shall designate one of the Directors to act on his/her behalf. In case no such designation has been made, the Directors present at the meeting shall elect the chairman from amongst themselves.

Board meetings shall be convened by the Chairman of the Board, who shall also be the chairman of the meetings. A notice indicated the purpose(s) for convening the meeting shall be given to each director no later than seven days prior to the scheduled meeting date. However, in the case of urgency, the meeting may be convened at any time. The notice may be given in writing, or via fax or e-mail.

Article 17: The Company may pay the Directors remunerations for their performance their duties. The Board of Directors is authorized to determine such remunerations based on the extent of involvements of the Company's operation and the value of the contribution of the Directors and the normal rate adopted by other companies in the same industry.

Independent Directors are paid with fixed monthly compensations and the Board of Directors has been delegated with the authority to propose compensations in accordance with industry standards. Independent Directors do not partake in the Company's surplus distribution.

Article 18: The following matters shall be submitted to the Board of Directors for discussion:

- I. The Company's Business Plan.
- II. Annual financial reports which are signed or sealed by the chairman, manager, and accounting manager.
- III. Establishment or amendment of internal control system and evaluation of its effectiveness.
- IV. Establishment or amendment of "Regulations Governing the Acquisition and Disposal of Assets," "Guidelines for Derivatives Trading," and "Regulations Governing Material Financial Business Behaviors of Making of Endorsements/Guarantees."
- V. Fundraising, issuance or private offering of securities with equity rights.
- VI. Performance evaluation and compensation standards of managerial officers.
- VII. Compensation structure and system of directors.
- VIII. Appointment or dismissal of the General Manager, Deputy General Managers, Finance, Accounting, or Audit Managers.
- IX. Matters related to the directors' own interests.
- X. Loaning of capital or making of endorsements/guarantees.
- XI. Appointment, dismissal, and compensation of CPAs.
- XII. Set up, terminal, or alternations of branch organizations.
- XIII. Approval of budget and decisions.

- XIV. Proposal of surplus allocations.
- XV. Approval of reinvestments.
- XVI. Approval of acquisition or transfer of specialized technology and patents, and technical partnership contracts.
- XVII. Approval of amendment to the Company's Articles of Association and changes to paid-in capital.
- XVIII. Approval of the Company's dissolution or merger.
- XIX. Approval of external loans.
- XX. Approval of setting asset as pledge.
- XXI. Approval of the annual Audit Plan.
- XXII. Approval of various Company procedures and regulations.
- XXIII. Carry out resolutions from Shareholders' Meetings.
- XXIV. Formulation and amendment of the organizational rules of the board of directors and functional committees.
- XXV. Major assets or derivative trading.
- XXVI. Donation to related parties or major donations to non-related parties. However, charity donations as relief for major natural disasters may be subsequently submitted to and ratified by the next Board meeting.
- XXVII. Other matters requiring resolution from the Shareholders' Meeting pursuant to Article 14-3 of the Securities and Exchange Act or other applicable laws and regulations, or other material matters that shall be submitted to the Board or required by competent authority.

Article 19: The Board of Directors shall convene at least once quarterly. However, in the case of urgency or as requested by more than 50% of the directors, the meeting may be convened at any time. All Board meetings shall be presided by the Chairman.

Article 20: Unless otherwise provided for by the Company Act, a resolution of the Board of Directors shall be adopted by the consent of a majority of the directors present in a meeting attended by the majority of the total directors.

Article 21: If a Director is unavailable to attend a meeting in person, the director may issue a proxy specifying the scope of the authorized powers to authorize another Director to attend the meeting on the director's behalf, provided that a director may represent only one other director at a meeting.

If an Independent Director is unable to attend a meeting in person for matters requiring a resolution from the Board meeting pursuant to pursuant to Article 14-3 of the Securities and Exchange Act, the Independent Director may issue a proxy authorizing another Independent Director to attend to meeting on the Independent Director's behalf. However, non-Independent Directors may not represent Independent Directors at a Board meeting.

Chapter V Audit Committee

Article 22: The Company has established an Audit Committee pursuant to applicable laws, and the Independent Directors shall together constitute the Audit Committee.

The role of supervisors and their powers pursuant to the Company Act, Securities and Exchange Act and other applicable laws shall be exercised by the Audit Committee in their place.

The number, tenure of office, and rules of functional authority of the Audit Committee and resources the Company shall provide in exercise of their powers shall be established in the Audit Committee Charter.

Chapter VI Managers

- Article 23: There shall be one General Manager and several and Deputy General Managers of the Company. The General Manager shall be nominated by the Chairman; and his/her appointment or removal shall be approved by majority of vote in a Board meeting attended by more than 50% of the Directors.
- Article 24: The General Manager shall comprehensively oversee the Company's day-to-day operations as delegated by the Chairman. In case the General Manager is unable to perform his/her duties, the Chairman shall designate a Deputy General Manager to act on his/her behalf.

Chapter VII Accounting

- Article 25: The fiscal year of the Company shall begin on January 1 and end on December 31 of each year.
- Article 26: The Board shall prepare the following reports after the end of each fiscal year, and present to the Audit Committee for review 30 days before the General Shareholders' Meeting for their ratifications in accordance with the legal procedure:
- I. Business Report.
 - II. Financial Statements.
 - III. Proposal for distribution of earnings to shareholders or recovery of prior year losses.
- Article 27: If the Company has profits in a fiscal year, it shall set aside 1% to 3% of the profits as employee bonuses and not more than 1% of the profits as director compensation. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses.
- Employee's compensations in the previous item may be distributed in shares or cash, and the counterparty to whom shares or cash are distributed as employee's compensations may include the employees of its subordinate companies that meet certain criteria.
- The term "profit for the current year" mentioned in Paragraph 1 refers to earnings of the pretax benefit of the current year deducts employees' compensations and Directors' remuneration.
- Directors' remuneration shall be distributed in cash and employees' compensation may be distributed in stocks or cash. A resolution by a majority voting of the directors present at a meeting of the Board of Directors attended by two-thirds or more of the directors of the Company shall be obtained, and a report shall be submitted to the Shareholders' Meeting.
- Article 28: In the event that the Company, according to the final settlement, earns profits in a fiscal year, such profits shall first be set aside to pay the applicable taxes, offset losses, and 10% will be set aside for legal reserve pursuant to laws and regulations. The remaining profits shall be set aside for special reserve in accordance with the laws, regulations, or the business requirements. Any further remaining profits plus unappropriated earnings shall be distributed in accordance with the proposal submitted by the Board, for approval at a Shareholders' Meeting.
- The Company adopts a dividend policy whereby cash dividend shall be no less than 50% of the total dividend distribution for the year. The ratio of dividend distribution and cash dividend will be approved by resolution at the Shareholders' Meeting based on the Company's working capital needs as well as capital expenditure plans.

Chapter VIII Supplementary Provisions

- Article 29: The internal organization of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.
- Article 30: In regard to all matters not provided for in these Articles of Incorporation, the Company Act or other laws and regulations shall govern.
- Article 31: The Articles of Association was established on May 3, 2000. The first amendment of the Articles was made on May 14, 2001; the second amendment was made on June 24, 2002; the third amendment was made on June 25, 2004; the fourth amendment was made on October 26, 2007; the fifth amendment was made on June 23, 2010; the sixth amendment was made on June 24, 2011; the seventh amendment was made on June 20, 2012; the

eighth amendment was made on June 20, 2014; the ninth amendment was made on June 25, 2015; the tenth amendment was made on June 22, 2016; the eleventh amendment was made on June 20, 2018; the twelfth amendment was made on June 19, 2019 ; the thirteenth amendment was made on June 17, 2020; The 14th amendment is to be made on August 25, 2021; The 15th amendment is to be made on June 20, 2022, which shall come into force upon the adoption of a resolution of the general shareholders' meeting.

Asia Pacific Telecom Co., Ltd.

Rules of Procedure for Shareholders' Meetings

Approved and enacted on May 3, 2000.

Amendment approved by the Shareholders' Meeting on June 24, 2011.
Amendment approved by the Shareholders' Meeting on June 20, 2012.
Amendment approved by the Shareholders' Meeting on June 20, 2014.
Amendment approved by the Shareholders' Meeting on June 25, 2015.
Amendment approved by the Shareholders' Meeting on June 17, 2020
Amendment approved by the Shareholders' Meeting on August 25, 2021

Article 1: The rules of procedures for the Company's Shareholders' Meetings, except as otherwise provided by law, regulation, or the Articles of Association, shall be as provided in these Rules.

Article 2: Unless otherwise provided by the law or regulation, the Company's shareholders meetings shall be convened by the Board of Directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of an extraordinary shareholders meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplementary meeting materials and upload them to the MOPS 21 days before the date of the annual shareholders' meeting or before 15 days before the date of the extraordinary shareholders meeting. In addition, the Company shall also have prepared the shareholders' meeting agenda and supplementary meeting materials and made them available for review by shareholders at any time. The aforementioned materials shall also be displayed at The Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of addressees, the meeting notice may be given in electronic form.

Matters pertaining to election or dismissal of directors, change of the Charter, reduction of capital, application for cessation of public offering, lifting of the non-compete clause for the Company' directors, capital increase from earnings, capitalization of capital surplus, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1 of Article 185, Articles 26-1 and Article 43-6 of the Securities and Exchange Act, as well as Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the reasons for convening the meeting and cannot be proposed through an extempore motion; its main content can be placed on the website designated by the competent securities authority or the Company; such a website shall be stated in the notice.

The reasons for convening the shareholders' meeting have specified the general re-election of directors and the date of their appointment. After the completion of the re-election in the shareholders' meeting, the same meeting shall not change the date of appointment by extraordinary motion or other means.

Shareholders holding 1 percent or more of the total number of issued shares may submit the Company a proposal for discussion at the regular shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. If a proposal submitted by a shareholder falls into the circumstances as specified in Paragraph 4, Article 172-1 of the Company Act, the Board of Directors shall not include such proposal in the agenda. Shareholders may submit proposals to

urge the Company to promote public interests or fulfill its social responsibilities. Only one matter shall be allowed in each proposal pursuant to Article 172-1 of the Company Act. Where a proposal contains more than one matter, such proposal would not be included in the agenda.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the Company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 5 days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is delivered to revoke the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy revocation shall be submitted to the Company 2 business days before the meeting date. If the revocation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 4: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 5: The Company shall furnish the attending shareholders and their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. When a juristic person attends a shareholders' meeting as proxy, it may designate only one person to represent it in the meeting.

Article 6: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the chairperson, the Chairman shall appoint one of the directors to act as chair. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 7: The Company shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures and retain the recorded materials for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 8: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairman shall call the meeting to order at the appointed meeting time together with such information as the number of non-voting rights and the number of shares present. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9: If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and schedule sufficient time for voting.

Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject written on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 11: Voting at a shareholders' meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 12: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act. When a director owns 50% more of the number of shares in terms of pledge of stock rights than he/she did at the time of appointment, the number of excess shares shall not be used toward voting rights and will not be included in the voting rights of shares in attendance.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting

rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 13: The election of directors or supervisors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of those not elected as directors and the number of voting rights thereof.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineer and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 14: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.

Article 15: On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under the regulations of Taiwan Stock Exchange Corporation, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 16: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the microphones and loudspeakers set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 17: When a meeting is in progress, the chair may announce a break based on time considerations.

If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a Shareholders' Meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 18: These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Procedures for Election of Directors for Asia Pacific Telecom Co., Ltd.

Approved and enacted on May 3, 2000.

The amendment was resolved in the Shareholders' Meeting on June 26, 2003

The amendment was resolved in the Shareholders' Meeting on June 24, 2011

The amendment was resolved in the Shareholders' Meeting on June 25, 2015

The amendment was resolved in the Shareholders' Meeting on August 25, 2021

Article 1: Except as otherwise provided by law and regulation or by the Company's Articles of Association, elections of directors shall be conducted in accordance with these Procedures.

Article 2: The directors of the Company shall be appointed by the board of shareholders by competent candidates in accordance with the Company Act.

The qualification and election of independent directors of the Company shall comply with the provisions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be handled in accordance with Article 24 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies of Taiwan".

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 3: The number of directors and independent directors of the Company shall be elected together according to the number of directors specified in the Articles of Association, and the voting right shall be counted separately. The registered cumulative voting method shall be used for the election. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Those whose votes represent a larger number of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, therefore, exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairman drawing lots on behalf of any person not in attendance.

Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

If the dismissal of a director results in a board with less than five directors, the Company shall hold a supplemental election at the next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Association, the Company shall call an extraordinary shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Where the number of independent directors falls short of the number stipulated in Paragraph 1, Article 14-2 of the Securities and Exchange Act, the Company shall hold a by-election at the next shareholders' meeting to fill the vacancy. Where the independent directors are dismissed en masse, the Company shall convene an extraordinary shareholders' meeting within 60 days of the event to hold a by-election to fill the vacancies.

In the election of directors of the Company, shareholders may choose to exercise their right to vote either by electronic or on-site voting.

The number of voting rights referred to in the preceding paragraph shall be calculated according to the number of voting rights cast at the shareholders' meeting plus the number of voting rights cast by electronic voting.

Article 4: Before the election begins, the chairman shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences

Article 5: The ballots for on-site voting shall be prepared by the convenor, and the number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders based on their attendance card numbers.

Shareholders who exercise their right to vote by means of electronic voting shall exercise

their right to vote on the electronic voting platform designated by the Company. The commencement of the voting period shall begin when a shareholder receives the meeting notice, to two days before the meeting date of the Shareholders' Meeting.

Article 6: The voters shall fill in in the "candidate" column on the ballot such candidate's name and account name. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 7: A ballot is invalid under any of the following circumstances:

- (1) The ballot was not prepared by a person with the right to convene.
- (2) A blank ballot is placed in the ballot box.
- (3) The writing is unclear and indecipherable or has been altered.
- (4) The candidate whose name is entered in the ballot does not conform to the director candidate list.
- (5) Other words or marks are entered in addition to the number of voting rights allotted.
- (6) Names of two or more candidates are entered in the same ballot.

Article 8: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of those not elected as directors and the number of voting rights thereof, shall be announced by the chairman on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept for a period of at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 9: The elected director shall deliver an original copy of his/her consent letter within twelve days of being elected.

Article 10: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix IV

Shareholding Status from All Directors of Asia Pacific Telecom Co., Ltd.

- I. Types and total number of shares issued: 4,317,196,399 shares of ordinary shares.
- II. Minimum shares required to be held by all Directors: 129,515,892 shares (3.0%)
- III. Shareholding from all Directors has reached the legally stipulated ownership of shares.

Book closure date: May 2, 2023

Title	Name of Director or corporate shareholder	Number of shares held as of book closure date
Chairman	Baoxin International Investment Co., Ltd. Representative: Peng Chen	708,730
Director	Taiwan Railways Administration, MOTC Representative: Dennis L.S.Ju	261,829,777
Director	Taiwan Railways Administration, MOTC Representative: Tung-Chun Tsao	261,829,777
Director	Vacancy to be filled (Note1)	-
Director	Yu Sheng Investment Co., Ltd. Representative: Chung-Cheng Tseng	8,215,177
Director	Baoxin International Investment Co., Ltd. Representative: Wen-Lin ,Kung	708,730
Director	Baoxin International Investment Co., Ltd. Representative: Yuen Han, Chao	708,730
Director	Vacancy to be filled (Note2)	-
Independent Director	Li-Chun, Chen	0
Independent Director	Jaclyn Tsai	0
Independent Director	Zheng-Yi,Shon	0
Total number of shares held by all Directors		270,753,684

(Note1) : Corporate Director Far EasTone Telecommunications Co., Ltd (Representative: Vivian, Lee) to resign on April,18,2022.

(Note2) : Corporate Director Hua Eng Wire & Cable Co., Ltd. (Representative: Hsiu-Mei Liu) to resign on May,20,2022.